

BEFORE THE BOARD OF PUBLIC ACCOUNTANTS
DEPARTMENT OF LABOR AND INDUSTRY
STATE OF MONTANA

In the matter of the amendment of)	NOTICE OF AMENDMENT,
ARM 24.201.301, 24.201.401,)	ADOPTION, AND REPEAL
24.201.410, 24.201.415, 24.201.501,)	
24.201.502, 24.201.510, 24.201.516)	
through 24.201.518, 24.201.524,)	
24.201.528, 24.201.529, 24.201.535,)	
24.201.704 through 24.201.707,)	
24.201.709, 24.201.710, 24.201.720,)	
24.201.723, 24.201.726,)	
24.201.1102, 24.201.1106,)	
24.201.1107, 24.201.1108,)	
24.201.1111, 24.201.1115,)	
24.201.2137, 24.201.2401,)	
24.201.2410, 24.201.2411, adoption)	
of NEW RULE I through NEW RULE)	
V, and repeal of 24.201.506,)	
24.201.511, 24.201.512, 24.201.715)	
through 24.201.717, and 24.201.719,)	
all pertaining to accounting)	

TO: All Concerned Persons

1. On August 14, 2008, the Board of Public Accountants (board) published MAR Notice No. 24-201-43 regarding the public hearing on the proposed amendment, adoption, and repeal of the above-stated rules, at page 1654 of the 2008 Montana Administrative Register, issue no. 15.

2. On September 5, 2008, a public hearing was held on the proposed amendment, adoption, and repeal of the above-stated rules in Helena. Several comments were received by the September 15, 2008, deadline.

3. The board has thoroughly considered the comments and testimony received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: One commenter suggested the board delete "including letter of comments (if any)" from ARM 24.201.1108 because the new peer review standards effective for reviews performed after January 1, 2009, do not include the requirement for a letter of comment.

RESPONSE 1: The board plans to review all rules under subchapter 11 due to the new peer review standards becoming effective in January 2009. The board will consider the commenter's suggestion at that time.

COMMENT 2: One commenter suggested adding language to ARM 24.201.1108(1) to allow use of the Facilitated State Board Access (FSBA) program for submission of peer review reports. The commenter stated that the FSBA is a secure web site that allows peer review results to be posted for direct access by boards of accountancy, it would increase peer review transparency, and membership in FSBA will be required of all administering entities effective in 2009.

RESPONSE 2: The board agrees with the comment and is amending the rule accordingly.

COMMENT 3: One commenter suggested the board replace "unmodified" with "pass" in ARM 24.201.1115, because the new peer review standards effective after January 1, 2009 also make this terminology change.

RESPONSE 3: As stated in response 1, the board will consider the suggestion when reviewing all subchapter 11 rules after the new peer review standards go into effect. The board is amending the rule exactly as proposed.

COMMENT 4: Two commenters asked that the board list the standards for valuation services issued by the AICPA separately in New Rule V.

RESPONSE 4: The board notes that proposed New Rule V already includes the standards for valuation services issued by the AICPA. Therefore the board is adopting the rule exactly as proposed.

4. The board has amended ARM 24.201.301, 24.201.401, 24.201.410, 24.201.415, 24.201.501, 24.201.502, 24.201.510, 24.210.516, 24.201.517, 24.201.518, 24.201.524, 24.201.528, 24.201.529, 24.201.535, 24.201.704, 24.201.705, 24.201.706, 24.201.707, 24.201.709, 24.201.710, 24.201.720, 24.210.723, 24.201.726, 24.201.1102, 24.201.1106, 24.201.1107, 24.201.1111, 24.201.1115, 24.201.2137, 24.201.2401, 24.201.2410, and 24.201.2411 exactly as proposed.

5. The board has adopted NEW RULE I (24.201.532), NEW RULE II (24.201.536), NEW RULE III (24.201.537), NEW RULE IV (24.201.708), and NEW RULE V (24.201.718) exactly as proposed.

6. The board has amended ARM 24.201.1108 with the following changes, stricken matter interlined, new matter underlined:

24.201.1108 ALTERNATIVES AND EXEMPTIONS (1) A practice unit which has undergone an AICPA or board-sanctioned peer review within three calendar years must file a copy of its peer review report, including letter of comments (if any), letter of responses (if any), and acceptance of the review report by the administering entity. Firms may meet this requirement by participating in the Facilitated State Board Access (FSBA) program.

(2) and (3) remain as proposed.

7. The board has repealed ARM 24.201.506, 24.201.511, 24.201.512, 24.201.715, 24.201.716, 24.201.717, and 24.201.719 exactly as proposed.

BOARD OF PUBLIC ACCOUNTANTS
RICK REISIG, CPA, CHAIRPERSON

/s/ DARCEE L. MOE
Darcee L. Moe
Alternate Rule Reviewer

/s/ KEITH KELLY
Keith Kelly, Commissioner
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State January 5, 2009